

Annual Report 2001 of the Environmental Finance Center Network

Environmental Finance Center Network

2001 Annual Report

EFC at Syracuse University

The Environmental Finance Center (EFC) at Syracuse University's Maxwell School of Citizenship and Public Affairs serves the Region 2 States of New York and New Jersey as well as Puerto Rico and the U.S. Virgin Islands

The United States Environmental Protection Agency's (EPA) Region 2 Environmental Finance Center (EFC) at Syracuse University's Maxwell School of Citizenship and Public Affairs was established in 1993. Since then, the Maxwell EFC has undertaken a wide range of projects and activities, and built a considerable record of accomplishment. The foci of the EFC has included full-cost pricing of environmental services, the value of intergovernmental cooperation in addressing environmental improvement projects, collaborative planning among public and private environmental service providers, and the coordination of technical

assistance services available to rural communities. In each of these areas, the EFC has either provided customized assistance to communities or facilitated the coordination and delivery of services from public and private agencies.

The primary activity of the EFC in 2001 was the implementation of its *Public Management and Finance Program* (PMFP), a project conceived to impart valuable training in environmental finance to local government representatives. Other activities of importance include the planning and implementation of a source water project under the leadership of the New Mexico EFC, and the implementation of a brownfields project with the City of Syracuse. During 2001 the EFC continued to

assist communities with the use of an EPA supported windows®-based computer software program, and other models, for setting financially responsible water and wastewater rates. A last highlight in 2001 was the completion of the *International Environmental Finance Training and Technical Assistance Program* work in the Russian Federation.

During 2001, the EFC continued to participate in



In this issue..

• Introduction	1
• Accomplishments	2
• EFC Collaborative Projects	5
• Summary of Activities	6

and establish collaborative relationships with other government-supported programs, public agencies, institutions of higher learning, and environmental technical service providers. These relationships have strengthened over the past several years and continue to foster new opportunities for the EFC to enhance its capacity to deliver services to local governments. Rural communities have remained a strong focus of the EFC and it continues to provide assistance to communities grappling with environmental improvements and infrastructure planning.

The EFC expects 2002 to be a year in which the efforts of all past and present activities will buttress existing partnerships, continue to build new partnerships, and spawn enduring programs and, thus, enhance the services it provides to EPA Region 2.

On-Going Activities and Projects

- Attendance at professional association meetings and presentations on capital planning and financing; the concepts of water and wastewater rate setting; environmental governance; intergovernmental cooperation; collaborative planning; capacity development; sustainable community issues; and brownfields redevelopment.
- Maintaining database of past EFC program participants, workshop attendees, prospective clients, and technical service providers.
- Participating in planning prospective projects with the partners of the Public Management and Finance Program.
- Collaborating with other technical assistance organizations to provide assistance to rural communities seeking to address environmental infrastructure development and improvement

projects.

- Serving as a content provider to government and non-profit organizations that provide assistance and conduct workshops for municipal decision-makers.
- Continued emphasis on collaborating with other universities and non-profit organizations to develop proposals addressing environmental concerns.
- Responding to requests from communities for assistance ranging from how to finance major water system repairs and how to develop capital budgets for environmental improvements to conducting focus groups to elicit public input or assess public awareness and support of environmental projects.

ACCOMPLISHMENTS

International Environmental Finance and Technical Assistance Program

The EFC completed its work with the International Environmental Finance and Technical Assistance Program (EFTAP) in 2001. EPA's Office of International Activities received the final report on the project in December 2001. The outcomes of the project included:

- Delivery of public and environmental finance theory and application instruction to delegation of five Russian representatives in August 1999 at Syracuse University;
- Support for scholar from Russia to spend one month at The Maxwell School learning public finance techniques in September 1999;
- Delivery of public and environmental finance to

delegation of two Russian representatives in May 2000;

- Report on environmental protection programs, primarily the administrative and finance aspects, completed or underway in Russia. The report was prepared by the Institute of Urban Economics, a Moscow-based nonprofit subcontracted by the EFC.
- Through a subcontract to the University of New Mexico Environmental Finance Center, attendance at environment-related conferences and training to a delegation of four NziNzi Tagil, Russia representatives in October 2000; and a research project ensued that produced three reports concerning water and wastewater systems in NziNzi Tagil.
- Development of a public and environmental finance training module by faculty of The Maxwell School. The modules integrate material ranging from the basic principles of public finance to current best practices of public administration and public finance techniques.
- Development of international environmental finance case studies by graduate students of The Maxwell School. The case studies will benefit municipalities of Russia by illustrating successful strategies in financing environmental improvements in other countries.

During 2001, the majority of EFTAP activities involved arranging for officials from Russia to visit the United States and have on-site tours of environmental projects in addition to meeting with government and nonprofit representatives who were involved with the projects in New York and Washington DC.

Public Management and Finance Program

Since EFC 2 was established at the Maxwell School, it has served as a resource for municipal professionals through a variety of presentations, workshops and other forums. The *Public Management and Finance Program* (PMFP) was a natural outgrowth of these activities. Officially launched in April 2001, it has served as a means for municipal professionals and leaders from EPA Region 2 communities to learn, explore, discuss and debate the principles of public finance as it pertains to environmental improvements. The PMFP also functions as a collaboration of technical assistance providing organizations, which collectively offer expertise to communities in a holistic manner through direct requests of communities or networking opportunities.

The launching event for the PMFP took place in April 2001 at Syracuse University's Minnowbrook Conference Center, located in the Adirondacks. Representatives from 18 communities, five technical assistance organizations, and four private sector finance and engineering firms participated in the event. Five representatives from EFCs located in California, Maine, New Mexico, and North Carolina provided assistance in facilitating activities or providing instruction to participants. The EFC Network Coordinator from EPA Headquarters also attended and provided assistance. Activities included:

- Presentation on financing options for environmental projects under consideration in communities represented, using data obtained in advance;
- Presentation on capital budgeting methods;
- Introduction to the North Carolina EFC public finance course for local government officials;

- Group assessments of case studies involving environmental problems that actually occurred; and
- Roundtable sessions between community representatives and technical assistance providers on funding resources and project development.

All activities were interactive and allowed ample time for participants to discuss issues of mutual concern, share experiences, and initiate inquiries to technical assistance providers. The event concluded with an evaluation of the PMFP concept in which participants were asked what they would like to see happen next. There was unanimous expressions of gratitude for the opportunity to participate in a forum with such a variety of resources. All community representatives commended the Syracuse EFC for the format and commented that the format was conducive to real learning. In comparing the EFC's PMFP event to other workshops, they noted that their typical experience is to attend a workshop in which an immense amount of information is provided but using methods not compatible with information retention.

After the launching of the PMFP, EFC staff members conducted additional interviews of community participants and will conduct a sequel in the spring of 2002. Since the PMFP workshop/conference, community leaders have remained in contact with the EFC, many requesting specific assistance or seeking to be put in contact with technical assistance services. The EFC plans to continue building upon the PMFP foundation, including the integration of expertise from other EFCs. The concept is a clear "winner" with respect to developing a concept to fit community needs and provide assistance with flexibility suitable to a given situation.

The PMFP will continue to use highly interactive and participatory methods of training. Future program

content will be comprised of these components: 1) leadership fundamentals, 2) technical public finance skills, and 3) individualized strategic plans. Using these three components as the basis of the PMFP, simulations of real-life environmental finance problems will be used regularly for training purposes. Participants will learn to incorporate environmental improvement planning and management into all other community and economic development activities.

Source Water Project

Under the leadership of the University of New Mexico EFC and in conjunction with New York State's Department of Environmental Conservation and the Department of Health, the Syracuse EFC is working with a cluster of communities with common concerns for potential drinking water contamination. Several years ago, the EFC partnered with the Water Resource Institute (WRI) to form the Environmental Community Assistance Consortium (referred to in the annual reports of 1997 forward) and considered the source water project an excellent opportunity to further that partnership. The WRI has immense technical experience in source water assessment complementary to the EFC's process facilitation expertise. This team will work with stakeholders in the communities to address potential contamination issues and help establish a Source Water Protection Council. It will assist the Council to identify solutions to avoid contamination, develop a Source Water Protection Plan, and assist the Council in plan implementation. The WRI previously completed a pilot Source Water Assessment for several water systems in the Upper Susquehanna River watershed. This area encompasses several counties on the New York/Pennsylvania border. This Assessment served as the basis for selecting the Village of Afton in southern Chenango County as the initial focus of the project. The Assessment identified several potential

contamination sources. After a series of meetings between the EFC and WRI, as well as a presentation to a group convened by the Department of Health, an initial meeting was held in which representatives from the County Soil and Water Conservation District (SWCD) and the County Health Department were in attendance. The EFC and WRI outlined the proposed project and reviewed the Assessment. County representatives were very enthused about the Project. They agreed that Afton would be an excellent choice to include in the Project and suggested several others. The County SWCD will schedule a meeting with the County Water Quality Coordinating Community in the first quarter of 2002. There was agreement that this group would be a good choice to form the core of the Source Water Protection Council. A Project overview will be presented at the meeting.

The EFC-WRI team will provide assistance to the Council in developing the Source Water Protection Plan. This will include providing them with examples of what other communities have done to address drinking water contamination issues. The Council can then consider options when deciding how to resolve their potential contamination problems. The EFC has also been developing a library of source water protection case studies. This library is also the basis for a pamphlet the EFC is preparing. It consists of best management practices for source water protection in the form of "mini case studies" of small communities. This will be available to the Council for public distribution. The EFC and WRI will emphasize throughout the project the importance of public involvement and education on source water issues. The completed pamphlet will also be available for other EFCs working on Source Water Protection Projects.

Brownfields Redevelopment

In 2000 the EPA Brownfields Assessment Pilot Program awarded \$200,000 to the City of Syracuse to develop a comprehensive brownfields redevelopment plan. The Syracuse EFC had collaborated with the City to develop the proposal that resulted in the award and was subsequently enlisted to provide assistance to fulfill the tasks of the proposal. Due to political transitions within the Office of the Mayor, the project met several delays but was able to conduct two public outreach meetings and begin developing an inventory of brownfields sites in Syracuse. Beginning in November, a series of focus groups of specific stakeholder populations (residents, government representatives, developers, and nonprofit/advocacy groups) were planned. The primary role of the EFC is to facilitate the process of the project. The purpose of the focus groups is to elicit information from stakeholders regarding preferences for recreational or commercial uses of property and the identification of properties of the highest priority.

It is anticipated that 30 focus group sessions will be completed by the summer of 2002. The results of the focus groups will be disseminated at public meetings and from within this process a Brownfields Advisory Committee will be formed. The Committee will be comprised of representatives of each stakeholder group who will then reach consensus on site priority and planning. The focus group and public meeting processes will ensure that the ultimate result is public awareness of brownfields issues and the emergence of a comprehensive plan inclusive of full community input and involvement.

In addition to working with the City of Syracuse, the EFC provided assistance to the Village of Owego in the preparation of a proposal to the EPA Brownfields Assessment Pilot Program which was submitted in December 2001. The proposal is very

similar to the Syracuse proposal, with Village residents and officials deeply committed to the development of a comprehensive plan if it is awarded. The EFC remains committed to assisting the Village whether or not an EPA award is achieved in this cycle of funding. The Village has in place a revitalization committee in which issues pertaining to improving the quality of community life are a priority. Particular brownfields sites of great concern due to close proximity to residential areas and social problems that have emerged as a result of their presence. The Village of Owego Board of Trustees has been vigorously pursuing the development of a brownfields redevelopment strategy for the past two years and the EFC anticipates it will aggressively address the problem upon receipt of funds for planning and implementation.

EFC COLLABORATIVE ACTIVITIES SUMMARY

EFC Network

- The Public Management and Finance Program (PMFP) mentioned previously was the most significant collaborative activity during 2001. The EFCs from Maine, North Carolina, New Mexico, and California (Regions 1, 4, 6, and 9) participated in the launching event of the PMFP and have all expressed interest in future work with the PMFP. It is anticipated that at some time in the near future, a proposal will be fully developed in which the concept can be carried out in other states. To date, the most significant proposal has been submitted to the United States Department of Agriculture's Rural Utility Service Training and Technical Assistance Program, with awards scheduled for announcement in April 2002.

- Through the leadership of the New Mexico EFC and in collaboration with three other EFCs, the EFC will continue to collaborate on the Source Water Project mentioned previously. In many respects the project has served as model of how the EFCs can collaborate to deliver services nationwide and it is anticipated that other collaborative proposals involving source water issues will be developed as the project continues.
- In the context of the EFC Network, the Syracuse EFC in Region 2 participated in the development of a National Plan which identifies the priorities of the EPA Environmental Finance Program and how those priorities are integrated into the offerings of the Network.

Initiatives for 2002

- Staff members from the Syracuse EFC will be trained to use new models for water and wastewater rate setting with the intent to build its capacity to assist communities in creating a broad range of options to establish user rates. The EFC has recognized over the years that water and wastewater systems, particularly the very small systems, fare better with models that are compatible with Excel-based software and/or more flexible data input requirements. There is no one-size-fits-all model for rate setting and in some instances the EFC has been able to collaborate with the Rural Water Association and the Rural Community Assistance Program to assist communities in creating equitable user rates or presenting options in cost recovery.
- Support graduate student projects to create database designs for brownfields site inventories within communities. The databases will enable communities to maintain accurate data

concerning property ownership, history, and testing for contamination.

- EFC staff will receive training in Geographical Information System mapping to build its capacity to deliver services related to brownfields redevelopment planning. In turn, the EFC will be able to provide mapping assistance to local communities that do not have such internal resources.
- The EFC will continue to develop and implement training activities of the Public Management and Finance Program. It anticipates designing monthly events at which participants will have the opportunity to learn new methods of project finance, "how-to" procedures for consolidation, new technology, pending legislation and regulations, and other related material.

SUMMARY OF ACTIVITIES

Conferences, Special Projects, and Presentations

- March 2001, participated in a conference sponsored by the EPA regarding the Source Water Project.
- March 2001, presented "Public Comments on the Ground Water Rule: A Three State Experience" at the Annual Conference of the American Society of Public Administration in Newark, New Jersey. Presentation was in collaboration with programs at the University of Nebraska at Omaha and Mississippi State University. The project serving as the basis of the report was performed in 2000 under the leadership of the National Association of Schools of Public Administration and Affairs.
- March 2001, attended a brownfields workshop sponsored by EPA regarding the Brownfields Redevelopment Assessment Pilot Program.
- March 2001, presented the plan for the Source Water Project at a Source Water Protection Coordinating Committee meeting sponsored by the New York State Department of Health.
- April 2001, presented, "Public Comments on the Ground Water Rule: A Three State Experience" at the Annual Conference of the Western Social Science Association. Presentation was in collaboration with programs at the University of Nebraska at Omaha and Mississippi State University. The project serving as the basis of the report was performed in 2000 under the leadership of the National Association of Schools of Public Administration and Affairs.
- April 2001, conducted a three-day event to launch the Public Management and Finance Program at Syracuse University's Minnowbrook Conference Center. The EPA Headquarters EFC Network Coordinator and representatives from the California, Maine, New Mexico, and North Carolina EFCs attended and provided assistance. Community representatives and technical assistance providers convened to explore a variety of topic areas including financing options for environmental improvements and capital budgeting.
- May 2001, facilitated educational forum on brownfields at public meeting sponsored by the City of Syracuse.
- June and July 2001, facilitated meeting about project development for a proposed water system to the Council of the Village of Whitesboro, New York.

- July 2001, attended Infrastructure Financing meeting sponsored by the Rural Community Assistance Program in Syracuse, New York.
- August 2001, facilitated community leadership meeting regarding brownfields sites in Village of Owego, New York.
- September 2001, hosted and facilitated conference on GASB 34 in collaboration with the National Conference on Public-Private Partnerships and the New York Conference of Mayors in Syracuse, New York.
- October 2001, presented “Public Management and Finance Program” summary at the Annual Conference of the Rural Community Assistance Program in Washington, DC.